

Tennessee Tobacco

This brochure highlights 3 major areas of the tobacco production business in Tennessee and the United States:

- **Acreage, Yield & Production** (40 years of historic data)
- **Prices** (historic prices received by farmers for burley tobacco)
- **U.S. Burley Tobacco Production Costs, 2003-2004**

Tennessee Tobacco - Quick Facts

☞ All tobacco acreage for 2005, at 22,950 acres, was down 24 percent from 2004.

☞ **Burley** (Type 31) acreage for 2005 was down 29 percent from 2004. **Dark-Fired** was down 4 percent to 5,500 acres. **Dark Air-Cured** (Type 35) was down 17 percent from 2004 at 450 acres.

☞ Burley production for 2005 was 34.0 million pounds, down 26 percent from 2004.

☞ Tobacco ranked as the eighth leading agricultural commodity produced in the State during 2004. Cash receipts from marketings of tobacco were \$76 million, or 3 percent of the total farm cash receipts generated in 2004.

TENNESSEE - BURLEY SUMMARY

YEAR	ACRES	LBS. PER ACRE	PROD (000) LBS.
1965	55,000	1,985	109,175
1966	48,500	2,105	102,092
1967	47,000	1,935	90,945
1968	47,500	2,115	100,462
1969	47,500	2,085	99,038
1970	43,000	2,210	95,030
1971	39,900	2,070	82,593
1972	45,000	2,245	101,025
1973	41,000	2,025	83,025
1974	46,400	2,050	95,120
1975	54,400	2,080	113,152
1976	55,000	2,155	118,525
1977	52,500	2,055	107,888
1978	50,000	2,200	110,000
1979	46,000	1,745	80,270
1980	52,000	1,725	89,700
1981	65,000	2,155	140,075
1982	68,000	2,185	148,580
1983	60,000	1,640	98,400
1984	61,000	2,030	123,830
1985	49,000	2,030	99,470
1986	39,000	1,590	62,010
1987	43,000	1,705	73,315
1988	42,000	1,850	77,700
1989	38,000	1,720	65,360
1990	46,000	2,060	94,760
1991	54,000	1,950	105,300
1992	64,000	2,000	128,000
1993	61,000	1,935	118,035
1994	51,000	2,125	108,375
1995	43,000	1,700	73,100
1996	46,000	1,915	88,090
1997	51,000	1,830	93,330
1998	51,000	1,795	91,545
1999	55,000	1,890	103,950
2000	37,000	1,920	71,040
2001	32,000	2,000	64,000
2002	29,000	1,830	53,070
2003	25,000	1,900	47,500
2004	24,000	1,920	46,080
2005	17,000	2,000	34,000

TENNESSEE - BURLEY PRICES

YEAR	DOLLARS PER LB.	VALUE (000)\$
1965	0.692	75,549
1966	0.676	69,014
1967	0.721	65,571
1968	0.738	74,141
1969	0.688	68,138
1970	0.728	69,182
1971	0.802	66,240
1972	0.793	80,113
1973	0.924	76,715
1974	1.146	109,008
1975	1.026	116,094
1976	1.130	133,933
1977	1.159	125,042
1978	1.302	143,220
1979	1.440	115,589
1980	1.658	148,723
1981	1.802	252,415
1982	1.761	261,649
1983	1.794	176,530
1984	1.858	230,076
1985	1.591	158,257
1986	1.557	96,550
1987	1.553	113,858
1988	1.608	124,942
1989	1.670	109,151
1990	1.747	165,546
1991	1.789	188,382
1992	1.806	231,168
1993	1.800	212,463
1994	1.837	199,085
1995	1.845	134,870
1996	1.920	169,133
1997	1.886	176,020
1998	1.907	174,576
1999	1.894	196,881
2000	1.957	139,025
2001	1.977	126,528
2002	1.968	104,442
2003	1.975	93,813
2004	1.980	91,238

U.S. Burley Tobacco Production Cost and Returns 2003-2004¹

Item	2003	2004
	Dollars Per Acre	
Gross value of production	3,800.64	3,862.58
Cash expenses:		
Seed and plant bed	110.34	115.51
Fertilizer	333.81	356.58
Chemicals	99.47	98.65
Custom operations	13.80	13.91
Fuel, lube, and electricity	95.28	110.93
Curing fuel	2/	2/
Repairs	82.05	83.89
Hired labor	574.81	624.96
Marketing expenses	56.84	57.12
Other variable cash expenses	<u>22.22</u>	<u>23.65</u>
Total, variable cash expenses	1,388.62	1,485.20
General farm overhead	228.42	233.53
Taxes and insurance	48.58	48.85
Interest	<u>73.16</u>	<u>73.88</u>
Total, fixed cash expenses	350.16	356.26
Total, cash expenses	1,738.78	1,841.46
Gross value of Production less cash expenses	2,061.86	2,021.12

^{1/} Developed from 1995 survey base year. ^{2/} Burley curing fuel costs are included in fuel, lube, and electricity expenses.

Source: USDA/ERS

FACTS

✓ Tobacco has been commercially produced in the United States since 1612. Tobacco production peaked at 2.34 billion pounds in 1963. Between 1963 and 1975, production usually varied from 1.75 to 2.2 billion pounds. Since 1975, however, production has been slowing.

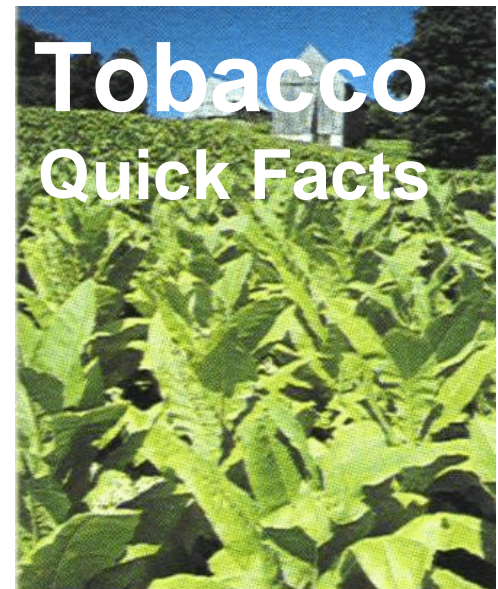
✓ Tobacco is grown in 21 States. The location of domestic tobacco production has barely changed since the late 1930s, when most tobacco production came under the price support and marketing control program. North Carolina and Kentucky are the two largest tobacco-producing States, accounting for about two-thirds of U.S. tobacco production.

✓ Tobacco is one of the top ten U.S. cash crops. The United States is fourth behind China, Brazil, and India in world production and third behind Brazil and China in exports.

✓ As of the *January Crop Production Annual Report*, total tobacco acreage for the 2006 marketing year was estimated to have slipped 27 percent from 2005 to 298,020 acres. Yields fell 78 pounds per acre overall, reaching 2,147 pounds per acre for all types of tobacco, compared with 2,161 in 2005. Production of all types is estimated at 639.7 million pounds, about 242.3 million pounds below last season.

✓ Based on January 2006 estimates, 91 percent of U.S. leaf were types used for cigarettes, compared with 93 percent last season. There will be no marketing quota or price support for 2006 and subsequent crops of tobacco.

Source: USDA/Economic Research Service



**USDA National Agricultural
Statistics Service**

**Tennessee Field Office
Debra K. Kenerson
Director**

**P.O. Box 41505
Nashville, TN 37204
1-800-626-0987
nass-tn@nass.usda.gov
<http://www.nass.usda.gov/tn>**

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